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1915 S. 19th Avenue

P.O. Box 10969

Bozeman, MT 59719-0969

Phone: (406) 556-1430

Fax: (406) 556-1433

FACSIMILE TRANSMITTAL

Date:

May 14, 2021

To:

Board of Oil & Gas Conservation State of Montana

Attn: Jim Halvorson

From:

Uriah J. Price

Re:

Grayson Mill Energy, LLC - Demand for Opportunity to be Heard

concerning Bison Oil & Gas III, LLC's Application for Permit to

Drill

Fax:

1-406-652-5305

Pages:

6, Including cover page

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URIAH J. PRICE
1915 SOUTH 19TH AVENUE
P.O. BOX 10969
BOZEMAN, MT 59719
TELEPHONE: (406) 522-4548
FACSIMILE: (406) 556-1433
UPRICE@CROWLEYFLECK.COM

May 14, 2021

E-MAIL AND FAX

Mr. Jim Halvorson Administrator Board of Oil & Gas Conservation State of Montana 2535 St. Jon's Avenue Billings, Montana 59102-4693 Fax No. (406) 652-5305

RE: Grayson Mill Energy, LLC - Demand for Opportunity to be Heard concerning Bison Oil & Gas III, LLC's Application for Permit to Drill

To Jim:

Pursuant to A.R.M. § 36.22.601, enclosed please find a Demand for Opportunity to be Heard, filed on behalf of Grayson Mill Energy, LLC, and concerning an APD filed by Bison Oil & Gas III, LLC. A Certificate of Service is attached to the Demand.

Please do not hesitate to call if you have questions.

Best Regards,

Uriah J. Price

BEFORE THE BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

REGARDING BISON OIL AND GAS III, LLC'S APPLICATION FOR PERMIT TO DRILL OIL AND GAS WELL, IN A PROPOSED OVERLAPPING SPACING UNIT COMRPISED OF TOWNSHIP 26 NORTH, RANGE 59 EAST, SECTIONS 18, 19 & 30, AS PUBLISHED IN THE SIDNEY HERALD AND THE HELENA INDEPENDENT ON MAY 9, 2021

DEMAND FOR OPPORTUNITY
TO BE HEARD CONCERNING
BISON OIL AND GAS III, LLC'S
APPLICATION FOR PERMIT
TO DRILL

Pursuant to Montana Administrative Rule § 36.22.601, Grayson Mill Energy, LLC, 1160 Dairy Ashford, Suite 140, Houston, Texas 77079, Phone No. 832-271-7438 ("GME"), demands an opportunity to be heard concerning an application for permit to drill shown in the Notice of Intention to Apply for Permit to Drill Oil and Gas Well, published by Bison Oil and Gas III, LLC ("Bison") in the Sidney Herald and the Helena Independent on May 9, 2021 ("APDs"). The APD is for a well to be drilled within an overlapping temporary spacing unit, as proposed by Bison, comprised of Sections 18, 19 & 30, Township 26 North, Range 59 East ("Proposed Overlapping TSU"). This demand is timely per A.R.M. § 36.22.601(6)(d). Enclosed is a copy of Bison's Published Notice in the Sidney Herald with the Section 18, 19 and 30 APD Notice highlighted.

- 1. GME currently owns 44% working interest in the underlying permanent spacing unit, comprised of Sections 19 and 30, Township 26 North, Range 59 East, established via Board Order 65-2011 ("PSU").
- 2. GME operates/will operate the Johnson 30-19 1H well located within the PSU ("Well") and owns an 80% before payout working interest and a 44% after payout working interest in the Well.
- 3. Pursuant to Board Order 476-2011, GME has authority to permit and drill up to four additional horizonal Bakken/Three Forks Formation wells within the PSU.
- 4. Upon information and belief, Bison currently owns 0% working interest in the PSU.
- 5. Upon information and belief, Bison filed an application with the Montana Board of Oil and Gas Conservation ("Board") to create the Proposed Overlapping TSU, along with an application requesting approval to drill an additional 3 wells within the Proposed Overlapping TSU. The Proposed Overlapping TSU overlaps GME's entire PSU.
- 6. GME requests a hearing regarding the issuance of Bison's permits to drill for specific reasons that include but are not limited to:
 - a. GME must ensure that its leasehold interests, its Well, and its right to drill infill wells in the PSU are protected. Based on the information provided in the Notices, GME has significant concerns regarding the development proposed by Bison, and the impact those operations will have on GME's rights in the PSU, the Well, its current operations, and future operations in the PSU.

- b. To ensure that the field is developed in an orderly manner that promotes maximum efficient recovery. GME is equally concerned about the development pattern illustrated by the surface and bottom hole location provided in the Notice. Despite requesting a 1920-acre Proposed Overlapping TSU, the well at issue appears to be a single mile lateral. A one-mile lateral in a three mile Overlapping TSU is certainly not in the interest of conservation and would not protect correlative rights.
- c. GME currently operates the Well, has an established surface location, has approval to further develop the PSU, and is familiar with operations in the PSU and the field. GME owns 44% of the working interest in the PSU in relation to Bison's 0% and has made significant investments in the PSU. If Bison's permit is approved and the Proposed Overlapping TSU is developed, GME's ability to develop the majority leasehold interest in the PSU while protecting its capital investments will be adversely impacted.

WHEREFORE, GME respectfully requests the following relief:

- 1. That Bison's APD be referred to the Board for notice and public hearing as required per A.R.M. § 36.22.601(4)(a).
- 2. That after hearing the Board enter an Order denying Bison's permit.
- 3. For such other relief as the Board may deem appropriate.

Dated this 14th day of May, 2021,

Grayson Mill Energy, LLC

Urian J. Price, Its Attorney

CROWLEY PLECK PLLP 1915 South 19th Avenue P.O. Box 10969 Bozeman, MT 59719 (406) 522-4548

E-Mail: uprice@crowleyfleck.com

CERTIFICATE OF SERVICE

I, URIAH J. PRICE, in accordance with A.R.M. § 36.22.601(6)(e), hereby certify that the foregoing demand for opportunity to be heard was served on this 14th day of May, 2021 on the following:

By FAX to

Mr. Jim Halvorson Administrator Board of Oil & Gas Conservation 2535 St. Johns Avenue Billings, MT 59102 Fax No. (406) 652-5305

With a copy sent via electronic mail to Mr. Jim Halvorson at: jhalvorson@mt.gov

By Certified Mail to:

Bison Oil & Gas III, LLC 518 17th St. Suite 1800 Denver, CO 80202

With a copy sent via electronic mail to Bison's legal counsel Ms. Kelley Huemoeller Lewis at: klh@klhadvisors.com

Ву: ___

Uriah L Price



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Witness on tand and and all the Court Dis 22" day of April, 2020.

by: Deputy Core of Court Minarit P — Februard Hey E₁ 8, 4, 13, 2018 294055

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Own your own lot, don't pay rent when you can own. Mobile home lot in the city of Sidney with city water, sewer, and garbage convices. Lot has a 8 x 12 garden shed,

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